

IC 5-28-24**Chapter 24. Investment Incentive Program****IC 5-28-24-1****"Municipality"**

Sec. 1. As used in this chapter, "municipality" means a city or town.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-2**Establishment by corporation; purpose**

Sec. 2. The corporation shall establish policies to carry out an investment incentive program. The purpose of the program is to provide grants and loans to counties and municipalities that will, in turn, be loaned to certain new or expanding businesses for construction or for the purchase of real or personal property.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-3**Award of grants and loans to counties and municipalities; criteria**

Sec. 3. (a) The corporation shall adopt policies and guidelines to establish the criteria for awarding grants and loans to counties and municipalities.

(b) The criteria for awarding the grants and loans must include the:

- (1) economic need of the county or municipality;
- (2) impact of the new or expanding business on employment and output in the county or municipality;
- (3) importance of state participation to the investment decision;
- (4) impact of state assistance to job production in the county or municipality; and
- (5) extent of other public and private participation.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-4**Loans to businesses by counties and municipalities; criteria; approval of loans by corporation**

Sec. 4. (a) The corporation shall establish criteria to guide counties and municipalities in making loans to businesses.

(b) The terms of the loans must include provisions stating that:

- (1) loans shall be restricted to enterprises that create new and permanent jobs;
- (2) loans may not exceed the greater of:
 - (A) ten percent (10%) of the total investment; or
 - (B) two hundred fifty thousand dollars (\$250,000); and
- (3) the principal and interest on the loan must be repaid to the county or municipality.

(c) All loans by a county or municipality under this chapter are subject to approval by the corporation.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-5

Powers of corporation

Sec. 5. The corporation may:

- (1) adopt policies and guidelines to carry out this chapter;
- (2) accept money and other things of value from all sources;
- (3) provide services and materials to carry out the purposes of the program;
- (4) evaluate the program; and
- (5) involve other entities, by contract or otherwise, in carrying out the purposes of the program.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-6

Use of repayment proceeds; corporation approval

Sec. 6. (a) The repayment proceeds of a loan made from a grant under this chapter shall be used by the county or municipality for any economic or community development activity, including:

- (1) making loans to businesses; and
- (2) the construction or reconstruction of any street, sewer, or other capital improvement that will promote economic development in the community or the repayment of bonds used to finance the construction or reconstruction.

(b) All uses of repaid loan proceeds by a county or municipality under this chapter are subject to approval by the corporation.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-7

Grants from state appropriated funds

Sec. 7. The corporation may not make a grant from state appropriated funds to a county or municipality under this chapter unless the county or municipality agrees to lend to the new or expanding business an amount greater than or equal to the state grant.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-8

Loan not general obligation of county or municipality; determination of reasonable assurance of repayment

Sec. 8. (a) A loan to a county or municipality made under this chapter is not a general obligation of the county or municipality and is payable solely from revenues derived from the new or expanding business.

(b) Before making a loan to a county or municipality, the corporation shall determine that there is reasonable assurance that the loan will be repaid. In making this determination, the corporation shall consider:

- (1) the financial condition of the business;
- (2) the financial feasibility of the expansion being undertaken by the business;
- (3) the adequacy of collateral for the loan; and

(4) any other information that the corporation considers relevant to its determination.

As added by P.L.4-2005, SEC.34.

IC 5-28-24-9

Establishment and purpose of investment incentive fund; administration

Sec. 9. (a) The investment incentive fund is established within the state treasury to provide grants and loans to counties and municipalities.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

As added by P.L.4-2005, SEC.34.